

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2361 - HB 2089

February 18, 2014

SUMMARY OF BILL: Adds disabled veterans who receive a rating of 100 percent unemployment disability as determined by the United States Department of Veterans' Affairs and surviving spouses of such disabled veterans to the disabled veterans' classification for the state's Property Tax Relief Program (PTRP), as of January 1, 2015.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$2,139,800

Assumptions:

- The provisions of the bill would add two new groups to the disabled veterans' classification for property tax relief which will result in an increase in the number of disabled veterans and surviving spouses who would apply and qualify for the PTRP.
- According to the Office of the Comptroller of the Treasury (COT), in 2012 there were 10,479 claims received from eligible disabled veterans. As a result of the provisions of this legislation, that number is estimated to increase by 20 percent, or 2,096 (10,479 claims x 20%) new claims.
- According to COT, in 2012 there were 2,830 claims received from eligible surviving spouses. As a result of the provisions of this legislation, that number is estimated to increase by 30 percent, or 849 (2,830 claims x 30%) new claims.
- COT estimates the average payment for a disabled veteran and surviving spouses in the PTRP is \$713 per claim. The provisions of the bill will result in a recurring increase in state expenditures of \$2,099,785 [(2,096 new disabled veterans claims + 849 new surviving spouse claims) x \$713 per claim].
- According COT, the agency will require one additional staff member for the anticipated increase in applications and payments resulting in a recurring increase in state expenditures of \$40,000 (for salary and benefits).
- The net recurring increase to state government expenditures will be \$2,139,785 (\$2,099,785 PTRP claims + \$40,000 new employee costs).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jrh